

Division of Consumer Affairs

News Release

CONSUMERS BEWARE: WATCH OUT FOR UNSOLICITED HELP

For Immediate Release
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WATCH OUT FOR UNSOLICITED HELP The Tennessee Division of Consumer Affairs warns of a possible fraudulent business practice that is currently targeting Tennessee consumers. Unsolicited telemarketers are posing as attorneys who seek to get restitution for prior victims of fraud for a fee. Consumers should be skeptical of any organization that contacts them unsolicited via the telephone or mail, claiming to have recovered money previously lost through prize winning offers. This type of fraud is known as a "recovery scam".

The Division has received inquiries concerning Fischer, Steinberg & Associates and the Dime Corporation who state that they are Canadian law firms. According to consumers, the telemarketers claim that they have collected restitution for Tennesseans who have previously lost money to fraudulent sweepstakes operators. They offer consumers reimbursement supposedly obtained through a class action lawsuit entitling 117 consumers to \$140,000. The catch is that consumers are required to send a cashier's check, in advance, for over \$7,000 to pay taxes on their newly claimed settlement.

"You should not have to pay any fees or taxes up front to collect a legitimate settlement, prize, gift or award" said Mark Williams, Director of the Tennessee Division of Consumer Affairs.

"Any possible taxes should be paid by the consumer directly to the government entity, not a thirdparty. If the business insists on the payment in advance, tell them to deduct the amount from your settlement and send you the balance. The most you should have to pay to receive any gift, award, prize or sweepstakes offer is the price of a postage stamp." said Williams.

Although the thought of \$140,000 sounds enticing, and the telemarketers can be very convincing, consumers should not succumb to the sales pitch from an unsolicited phone caller. "Any organization that makes this type of claim may take consumer's money then offer nothing in return," warns Williams. "Consumers to be extremely careful."

The Division offers these tips to consumers:

- Be skeptical when dealing with businesses that require immediate payment to claim earnings or prizes. It is illegal to require a fee to receive a prize or a gift.
- Take the time to fully investigate a business before committing to their services.
- Concerning the above scenario, consumers should ask for a copy of the court documents, the names of the plaintiffs, and other materials that would exist if this lawsuit had actually taken place.
- Get the information in writing. If they won't send it, hang up.

- Stay away from any high pressure or "you must act now" type of sales pitch.
- Be wary of unsolicited business practices that are initiated from outside the United States. Businesses located outside the U.S. could fall outside state or federal jurisdiction. Be extremely careful when these businesses solicit money in any way, regardless of what they offer in return. Many questionable telemarketers have left the United States and set up shop in Canada for the very purpose of escaping tough state and federal laws.

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